THE INFLUENCE OF TAX AMNESTY ON TAXPAYER COMPLIANCE

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ABSTRACT

The national economic growth in recent years tends to slow down which affects the decline in tax revenues and also has reduced the availability of domestic liquidity that is indispensable to boost Indonesia's economic growth. On the other hand, many Indonesian citizens' asset is placed outside the territory of the Republic of Indonesia, in the form of liquid and non-liquid that should be utilized to increase domestic liquidity which can stimulate national economic. Tax is the main source for the State of Indonesia, to fund the State Budget (APBN). More than 75% of the source of state income from taxes, the rest is from customs and excise, non-tax receipts and grants. This study aims to determine the taxpayer's perception about the tax amnesty to compliance of the individual taxpayer. The nature of this research is a descriptive study with a quantitative approach. The method of analysis in this research is to use simple regression. Results from this study is the perception taxpayer positive effect on tax compliance. Based on the test results, the obtained value of t arithmetic amounted to 5.923 higher than the t value with a significance value of 0.000, thus Ha supported.

Keywords: Tax Amnesty; Taxpayer Compliance

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1.   Introduction

The national economic growth in recent years tends to slow down which affects the decline in tax revenues and also has reduced the availability of domestic liquidity that is indispensable to boost Indonesia's economic growth. On the other hand, many Indonesian citizens' asset is placed outside the territory of the Republic of Indonesia, in the form of liquid and non-liquid that should be utilized to increase domestic liquidity which can stimulate national economic. The problem is that some asset outside the territory of the Republic of Indonesia has not been reported by the owner of the asset in its Annual Income Tax Form so that there may be tax consequences which may arise when compared to the assets already reported in the Annual

Income Tax Return. This is one of the factors causing the owners of the assets to feel reluctant to bring back or divert their assets and to invest it in economic activity in Indonesia.

In addition, the success of national development is strongly supported by the financing coming from the community, namely the receipt of tax payments. In order for this participation to be distributed equitably without any distinction, it is necessary to create a more just and lawful taxation system. This is based on the still widespread domestic economic activity that has not been or not reported to the tax authorities. The unreported activity undermines the sense of justice for taxpayers who have actively contributed to the tax obligations because the perpetrators do not contribute to the financing of national development. Tax is the main source for the State of Indonesia, to fund the State Budget (APBN). More than 75% of the source of state income from taxes, the rest is from customs and excise, non-tax receipts and grants.

Table 1
Percentage of Tax Receipts in APBN 2012-2016 (Trillion IDR)

Year	Tax	Non tax	Grant	Total	% Tax
2012	980,51	351,80	5,79	1,338,11	73%
2013	1,077,30	354,75	6,83	1,438,89	75%
2014	1,146,86	398,59	5,03	1,550,49	74%
2015	1,489,25	269,07	3,31	1,761,64	85%
2016	1,546,70	273,80	2,00	1,822,50	85%

Source : bps.go.id, data is processed

In the table above shows that the main source of Indonesia's income is from the tax sector. It is proven that the dependence of the Indonesian APBN from taxes is very high and from 2012-2016 continues to increase. The high state revenue from the tax sector makes the country more dependent on taxes. Tax is the largest source of state revenue so that various ways to succeed income from the tax sector are done by the government, one of them by way of sunset policy and tax amnesty.

Tax amnesty that lasted from July 1, 2016 until March 31, 2017 gives satisfactory results although not in accordance with the expected target. Based on the Statement of Assets (SPH) in the tax amnesty statistics, the total assets reported reached Rp 4.855 trillion. Consists of declaration of domestic assets Rp 3.676 trillion and declaration of foreign asset reached Rp 1,031 trillion. While the commitment of withdrawal of funds from abroad (repatriation) reached Rp 147 trillion. Total ransom based on incoming SPH reached Rp 114 trillion consisting of ransom from non-UMKM individual persons amounting to Rp 91.1 trillion and private individuals of UMKM amounting to Rp 7.73 trillion. Then, the ransom money from corporation non-UMKM Rp 14.6 trillion, and Corporation UMKM Rp 656 billion. Directorate General of tax records state revenue from tax amnesty program reached Rp 135 trillion, including ransom Rp 114 trillion, payment of proof of Rp 1.75 trillion, and payment of arrears Rp 18.6 trillion

Although the state revenue of the tax sector is the highest compared to other sources, the Indonesian tax ratio is still very low compared to other countries. Tax ratio is a measure of the government's ability to collect taxes from the public, the higher the tax ratio the more effective the tax collection policy can be. The higher the percentage of tax ratio, the higher the taxpayer compliance in paying taxes. Tax ratio Indonesia 11% (www.kemenkeu.go.id/ 2016) this figure is still very low when compared with other countries such as Germany 36.7%, Japan 34.6%, UK 32.9%, United States 25.4 %, South Korea 24.3%, Mexico 19.7% and China 19.4%.

Indonesia Taxation Analysis Jakarta, Yustinus Prastowo, said the level of compliance payments Value Added Tax (VAT) taxpayer Indonesia is very low compared with other countries in Asia region. "We are only 50% reporting and half have not been taken." Yustinus said in a public discussion Barisan Nusantara Hunting Tax in Sofyan Betawi Hotel Jakarta, Sunday December 28, 2014. Based on the above background, the author tries to examine how the influence of tax amnesty on compliance taxpayer.

2.   Framework and Empirical Studies
Tax Amnesty

Tax amnesty is the abolition of taxes that should be payable, not subject to tax administration sanctions and criminal sanctions in the field of taxation, by disclosing property and paying ransom money (UU Tax Amnesty 2016). According to Simon R. James, Tax amnesty is' (a) offering reduced financial and / or legal penalties to taxpayers who voluntarily agree to pay outstanding past tax liabilities. "From the two definitions above, it appears that the emphasis is given the opportunity to taxpayers to pay off tax arrears in the absence of fines.

The purpose of tax amnesty is to increase state revenues and economic growth and increase public awareness and compliance in implementing taxation obligations. Tax amnesty is a method used by the government to attract capital deposited abroad by taxpayers both individual taxpayers and corporate taxpayers to Indonesia. Individual taxpayers and corporate taxpayers reporting their asset and bringing their asset to Indonesia will not be subject to sanctions but are only required to pay a ransom that is set by the government.

Psychologically the implementation of tax amnesty is not good because it is not impartial to taxpayers who have been obedient to pay taxes. Implementation of tax amnesty is not good if it is often done because taxpayers who have been obedient will be lazy to pay taxes because in the future there will be tax amnesty (Ragimun, 2015). Implementation of the amnesty tax enacted in July 1, 2016 and ending March 31, 2017 is intended to increase state revenues from the tax sector and attract taxpayers deposited overseas. Tax amnesty is one of the efforts made by a country's tax authority to provide taxpayers with the opportunity to disobey their income and voluntarily pay taxes through incentives (Mukarromah et al, 2016).

According to Fisher, tax amnesty is often used to obtain correct data about the taxpayer, so that in the future can be used as a basis for improving law enforcement and tax revenue extraction. However, fisher warned that in the long term, taxpayers who have been obedient after the tax amnesty program ends, can even become disobedient because it hopes that in the future there will be tax amnesty again. In addition, the provision of tax amnesty is also feared to cause a sense of injustice for those who have been a compliant taxpayer. Even the provision of tax amnesty is feared to provide an indication of the opportunities and ease in tax evasion. This conclusion is supported by Le Borgne, who in his research in several states in the United States, draws the conclusion that the obedient taxpayers often view the granting of tax amnesty as a form of injustice.

In line with the above, Alm and Beck take the conclusion that giving tax amnesty can actually lower the level of compliance if the taxpayer is sure that there will be a tax amnesty continued without a stricter law enforcement effort. However, both authors argue that the level of tax compliance can still rise if the taxpayer can be convinced that paying the tax is the norm that should apply and after the tax amnesty ends, will be enforced strict law enforcement.

Taxpayers Compliance

Muliari and Setiawan in Winerungan (2013) defines taxpayer compliance as a condition where the taxpayer fulfills all tax obligations and exercises his taxation rights, while according to Nurmantu (2010) compliance is the fulfillment of all obligations and taxation rights by the taxpayer in accordance with tax laws and regulations. Taxpayer compliance is divided into two types: formal tax compliance and material tax compliance. Formal tax compliance is more direct taxpayers to obey as stipulated in the tax law, for example have NPWP for taxpayers who have income alone, timely reporting tax returns, not in arrears pay taxes, etc. Material tax compliance is a condition in which the taxpayer substantively meets all the provisions of taxation materials, for example taxpayers fill SPT correctly according to reality.

Based on the Decree of the Minister of Finance No.544 / KMK.04 / 2000 the criteria of compliant taxpayers are (1) timely in submitting SPT for all taxes in the last two years, (2) having no tax arrears for all taxes, Obtaining permission to repay or postpone the payment of taxes, (3) have never been sentenced for criminal acts in the field of taxation within the last 10 years, (4) in the last two years of bookkeeping and in respect of the taxpayer ever examined, correction At the last examination for each type of tax payable at the most 5%, (5) the taxpayer whose financial statements for the last two years are audited by a public accountant with unqualified opinion or fair opinion with the exception of not affecting the fiscal loss.

3. Methodology and Data

This research is a descriptive analysis with quantitative approach by using primary data. According to Sekaran (2013), a descriptive study was conducted to find out and explain the characteristics of the variables studied in a situation. Descriptive research includes collecting data to test hypotheses or answering questions about the final status of the research subject (Kuncoro, 2013). Variable in this research is taxpayer perception about Tax Amnesty as independent variable and taxpayer compliance as dependent variable.

Table 3.1
Operationalization of Research Variables

Variables	Definisi Operasional	Indikator	Skala
Tax Amnesty (X)	Tax Amnesty is the abolition of taxes that should be payable, not subject to administrative sanctions and criminal sanctions in the field of taxation by disclosing asset and paying ransoms (UU Tax Amnesty 2016)	1. Knowledge 2. Understanding of taxation 3. Awareness and motivation 4. Utilization	Ordinal
Taxpayer Compliance (Y)	Taxpayer compliance is the fulfillment of tax obligations undertaken by taxpayers in order to contribute to the development of the country which is expected in the fulfillment is done voluntarily (Mandagi, et al, 2014)	1. Register as a taxpayer 2. Fill out the SPT correctly, completely and clearly and submit SPT on time 3. Never delayed submitting SPT 4. Have no tax arrears 5. Have calculated the amount of tax according to the applicable	Ordinal

		provisions 6. Have never been subject to administrative sanctions 7. Has paid tax according to tax payable 8. Using tax rates in accordance with applicable regulations 9. Making tax payments in the places designated by the DJP	

The population in this research is an individual taxpayer in the Pratama Tax Office Bandung Cibeunying, amounting to 125,081 taxpayers. The sample used is 147 respondents. The sampling technique is by using nonprobability sampling with incidental sampling approach. Sources of data in this study is to use primary data that is in the form of questionnaires given to individual taxpayers in the Pratama Tax Office Bandung Cibeunying, with the measurement method using Likert scale 1 to 5 points. The authors conducted several tests assisted by SPSS program such as validity test, test reliability, normality test, heteroscedasticity test, simple regression test and coefficient of determination test.

4. Discussion on Empirical Results

Validity Test

Test Results Validity			
Statement	Pearson Correlation	Sig.	Inf.
1 Tax Amnesty (X)			
1.1	0.476	0.000	Valid
1.2	0.801	0.000	Valid
1.3	0.684	0.000	Valid
1.4	0.499	0.000	Valid
1.5	0.457	0.000	Valid
1.6	0.701	0.000	Valid
1.7	0.420	0.000	Valid
1.8	0.483	0.000	Valid
2 Taxpayer Compliance (Y)			
1.1	0.765	0.000	Valid
1.2	0.415	0.000	Valid
1.3	0.398	0.000	Valid
1.4	0.572	0.000	Valid
1.5	0.487	0.000	Valid
1.6	0.784	0.000	Valid
1.7	0.398	0.000	Valid
1.8	0.563	0.000	Valid
1.9	0.765	0.000	Valid

Source : Data is processed

Based on the above table, then all the variables in this study are declared valid supported by data processing results with Pearson Correlation value greater than 0.300.

Reliability Test

Test Results Reliability

Reliability Statistics

Variables	Cronbach's Alpha	N of Items
Tax Amnesty (X)	.734	8
Taxpayer Compliance (Y)	.766	9

Based on the above table, then all the variables in this study stated reliable supported by the data processing with Cronbach's Alpha value higher than the Cut Off value of 0.600.

The Results of the Classical Assumption Test

Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		147
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	3.35810808
Most Extreme Differences	Absolute	.143
	Positive	.085
	Negative	-.143
Kolmogorov-Smirnov Z		1.738
Asymp. Sig. (2-tailed)		.476

a. Test distribution is Normal.
b. Calculated from data.

Based on Kolmogorov Smirnov test then the variables contained in this study are stated normal, this is supported by the value of Asymp. Sig. (2-tailed) higher than 0.05 that is 0.476 with the value Kolmogorov Smirnov equal to 1.738.

Heteroscedasticity Test Results

Coefficientsᵃ

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-8.096E-16	2.852		.000	1.000
Tax_Amnesty	0.000	.082	0.000	0.000	1.000

a. Dependent Variable: abresid

The result of heteroscedasticity test showed that the research model did not find any symptoms of heteroscedasticity, this is indicated by the value of significance higher than 0.05 that is equal to 1,000.

Results of Hypothesis Test

Simple Regression Test Results

Coefficientsᵃ

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	21.219	2.852		7.439	.000
Tax_Amnesty	.483	.082	.441	5.923	.000

a. Dependent Variable: Taxpayer_Compliance

Based on the above regression test table yields the following linear equations:

$Y = 21.219 + 0.483X + \varepsilon$

Based on the linear equation if the taxpayer perception of Tax Amnesty Program increases, then taxpayer compliance will also increase.

The significance value of the variable X to Y is 0,000 which is smaller than 0.05. Based on the description, it can be concluded that H0 rejected, it means that Tax Amnesty has a significant positive effect on taxpayer compliance.

Test Results Coefficient of Determination (R^2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.441[a]	.195	.189	3.36967

a. Predictors: (Constant), Tax_Amnesty
b. Dependent Variable: Taxpayer_Compliance

Based on the above table, the value of R2 is 0.195. Adjusted R Square value is 0.189, which means independent variable in this research has an effect of 18,9%, while the rest is influence from variable outside research.

5.   Conclusion

Based on the results of the above analysis, it can be concluded that the taxpayer's perception of Tax Amnesty positively affect the taxpayer compliance. The statement is supported by the result of hypothesis testing that is t value equal to 5,923 which is bigger than t value of table and significance value less than 0,05 that is 0.000. Based on the results of the analysis it can be concluded that Ha accepted, the effect of variable X to variable Y is 18.9% means tax amnesty has an effect on taxpayer compliance of 18.9% while the rest is the influence of variables outside the research. This research has the limitations of only examine the individual taxpayer and its scope is very small that only one Pratama Tax Office in the city of Bandung so that the conclusions obtained do not reflect the general conclusion. The recommendations for the next researcher is to add the tax subject like as corporate taxpayer as the unit of analysis to be researched and add to the roar of a larger scope such as researching in one city or one province or even one country.

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